

Prince Albert

MUNICIPALITY

[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2009

PRINCE ALBERT MUNICIPALITY

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PRINCE ALBERT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

GENERAL INFORMATION

NATURE OF BUSINESS

Senqu Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Prince Albert Municipality includes the following areas:

Prince Albert
Klaarstroom
Leeu Gamka

EXECUTIVE MAYOR

Mrs. M Benjamin

SPEAKER

Mr. S Botes

MUNICIPAL MANAGER

DJ Rossouw (Acting)

CHIEF FINANCIAL OFFICER

JJ van der Westhuizen

REGISTERED OFFICE

*Private Bag X53
PRINCE ALBERT
6730*

AUDITORS

*Auditor-General
Private Bag X1
Chempet*

PRINCIPLE BANKERS

ABSA

ATTORNEYS

Fortuin & Associates

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

PRINCE ALBERT MUNICIPALITY

MEMBERS OF THE PRINCE ALBERT MUNICIPALITY

WARD

Proportional
Proportional
Proportional
Proportional
Proportional
Proportional

COUNCILLOR

Mrs. M Benjamin
Mr. A Pienaar
Mr. S Botes
Mrs. MG van Hasselt
Mr. JP Goliath
Mr. NS Abrahams

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages **X** to **XX** in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

NAME

Municipal Manager

Date

PRINCE ALBERT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	Notes	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net Assets		30 359 725	26 039 226
Housing Development Fund	2	714 226	782 043
Capital Replacement Reserve	3	9 651 645	9 651 645
Revaluation Reserve	3	-	-
Accumulated Surplus/(Deficit)		19 993 854	15 605 538
Non-Current Liabilities		1 887 774	1 888 165
Long-term Liabilities	4	44 534	81 207
Non-current Provisions	5	1 843 240	1 806 958
Current Liabilities		9 338 956	7 201 915
Consumer Deposits	6	287 637	257 912
Provisions	7	627 657	561 728
Trade and other payables	8	3 889 053	1 783 378
Unspent Conditional Government Grants and Receipts	9	4 219 285	4 167 076
Taxes	10	278 651	-
Operating Lease Liability	19.1	-	-
Cash and Cash Equivalents	20	-	398 951
Current Portion of Long-term Liabilities	4	36 673	32 870
Total Net Assets and Liabilities		41 586 454	35 129 306
ASSETS			
Non-Current Assets		19 656 230	15 338 994
Property, Plant and Equipment	11	19 525 220	15 289 497
Non-Current Assets Held for Sale	12	-	-
Investment Property	13	-	-
Intangible Assets	14	79 838	-
Long-Term Receivables	15	51 172	49 497
Current Assets		21 930 224	19 790 313
Inventory	16	39 363	39 363
Trade Receivables from exchange transactions	17	971 525	1 513 160
Other Receivables from non-exchange transactions	18	855 444	422 277
Unpaid Conditional Government Grants and Receipts	9	1 527 480	-
Operating Lease Asset	19.2	-	-
Taxes	10	-	-
Current Portion of Long-term Receivables	15	-	1 796
Cash and Cash Equivalents	20	18 536 412	17 813 717
Total Assets		41 586 454	35 129 306

PRINCE ALBERT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 R	2008 R
REVENUE			
Revenue from Non-exchange Transactions		15 517 409	8 975 120
Taxation Revenue		1 336 312	1 222 160
Property taxes	21	1 336 312	1 222 160
Transfer Revenue		12 947 236	6 284 543
Government Grants and Subsidies	22	12 720 909	6 056 686
Public Contributions and Donations	23	226 327	227 857
Contributed Property, Plant and Equipment		-	-
Other Revenue		1 233 861	1 468 417
Fines		1 126 542	1 464 383
Third party payments		-	-
Stock adjustments		-	4 034
Actuarial Gains	5	107 319	-
Changes in Fair Value		-	-
Other		-	-
Revenue from Exchange Transactions		12 108 503	9 372 462
Property Rates - penalties imposed and collection charges		29 581	38 691
Service Charges	24	9 309 508	6 912 066
Rental of Facilities and Equipment		61 014	79 229
Interest Earned - external investments		2 380 833	2 047 972
Interest Earned - outstanding debtors		27 839	45 193
Licences and Permits		482	120 323
Income for Agency Services		107 229	-
Other Income	32	192 017	128 988
Unamortised discount - Interest		-	-
Total Revenue		27 625 912	18 347 581
EXPENDITURE			
Employee related costs	34	6 832 124	5 391 299
Remuneration of Councillors	35	1 732 439	897 889
Debt Impairment	36	1 811 614	595 091
Collection costs		-	-
Depreciation and Amortisation		1 219 315	1 140 411
Impairments	37	-	-
Repairs and Maintenance		952 006	413 194
Unamortised discount - Interest		-	-
Actuarial losses	5	-	132 760
Finance Charges	38	210 359	152 685
Bulk Purchases	39	3 075 765	2 266 074
Contracted services		-	-
Grants and Subsidies Paid	40	3 595 632	2 168 429
Other Operating Grant Expenditure		-	-
General Expenses	41	3 876 160	3 800 530
Changes in Fair Value		-	-
Total Expenditure		23 305 413	16 958 361
Operating Surplus for the Year		4 320 499	1 389 220
Loss on disposal of Property, Plant and Equipment		-	(9 212)
Gain on disposal of Property, Plant and Equipment		-	1 500
NET SURPLUS/(DEFICIT) FOR THE YEAR		4 320 499	1 381 509
Refer to Appendix E(1) for explanation of variances			

PRINCE ALBERT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		22 293 104	15 268 581
Cash paid to suppliers and employees		(17 804 032)	(15 409 862)
Cash generated/(absorbed) by operations	44	4 489 072	(141 281)
Interest Received		2 380 833	2 047 972
Interest Paid		(210 359)	(152 685)
Net Cash from Operating Activities		6 659 546	1 754 007
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(5 454 553)	(1 584 439)
Proceeds on Disposal of Fixed Assets		-	1 500
(Increase)/Decrease in Intangible Assets		(80 322)	
(Increase)/Decrease in Long-term Receivables		121	202 412
Net Cash from Investing Activities		(5 534 755)	(1 380 527)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(32 870)	(29 460)
Increase/(Decrease) in Consumer Deposits		29 725	23 780
Net Cash from Financing Activities		(3 145)	(5 680)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1 121 647	367 800
Cash and Cash Equivalents at the beginning of the year		17 414 765	17 046 965
Cash and Cash Equivalents at the end of the year	45	18 536 412	17 414 765
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1 121 647	367 800

PRINCE ALBERT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Pre-GAMAP Reserves and Funds	Housing Development Fund	Capital Replacement Reserve	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R
Balance at 1 JULY 2007	10 801 214	725 326	-	-	1 460 057	12 986 597
Net Surplus/(Deficit) for the year					1 381 509	1 381 509
Change in accounting policy - Note 42.9	(10 801 214)		-	-	22 738 408	11 937 194
Transfer to/from CRR			10 898 979		(10 898 979)	-
Property, Plant and Equipment purchased			(1 247 334)		1 247 334	-
Correction of Error - Note 43.3					(266 074)	(266 074)
Transfer to Housing Development Fund		56 717			(56 717)	-
Asset Disposals					-	-
Offsetting of depreciation					-	-
Balance at 30 JUNE 2008	-	782 043	9 651 645	-	15 605 538	26 039 226
Correction of error - Note 43.3	-	-		-	-	-
Restated balance	-	782 043	9 651 645	-	15 605 538	26 039 226
Net Surplus/(Deficit) for the year					4 320 499	4 320 499
Transfer to/from CRR			1 042 026		(1 042 026)	-
Property, Plant and Equipment purchased			(1 042 026)		1 042 026	-
Capital Grants used to purchase PPE					-	-
Transfer to Housing Development Fund		(67 818)			67 818	-
Asset Disposals					-	-
Offsetting of depreciation					-	-
Balance at 30 JUNE 2009	-	714 226	9 651 645	-	19 993 854	30 359 725

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
2	HOUSING DEVELOPMENT FUND		
	Housing Development Fund	714 226	782 043
	Unappropriated Surplus	714 226	782 043
	Loans extinguished by Government on 1 April 1998	-	-
	Total Housing Development Fund Assets and Liabilities	714 226	782 043
3	NET ASSET RESERVES		
	RESERVES	9 651 645	9 651 645
	Capital Replacement Reserve	9 651 645	9 651 645
	Revaluation Reserve	-	-
	Total Net Asset Reserve and Liabilities	9 651 645	9 651 645
4	LONG TERM LIABILITIES		
	Annuity Loans - At amortised cost		
	Local Registered Stock		
	Capitalised Lease Liability - At amortised cost	81 207	114 077
		81 207	114 077
	Less: Current Portion transferred to Current Liabilities	36 673	32 870
	Annuity Loans - At amortised cost		
	Local Registered Stock		
	Capitalised Lease Liability - At amortised cost	36 673	32 870
		117 880	146 946
	Plus: Unamortised charges on loans	-	-
	Balance 1 July		
	Adjustment for the period		
	Restatement of prior year comparatives - Note 44		
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	44 534	81 207
	The obligations under finance leases are scheduled below		
		Minimum lease payments	
	Amounts payable under finance leases		
	Payable within one year	43 794	43 794
	Payable within two to five years	47 444	91 238
	Payable after five years	-	
		91 238	135 032
	Less: Future finance obligations	(10 030)	(20 955)
	Present value of lease obligations	81 207	114 077
	Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.		
	##		
	Exemptions taken for leases according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.		
5	NON-CURRENT PROVISIONS		
	Provision for Post Retirement Benefits	1 843 240	1 806 958
	Total Non-current Provision Liabilities	1 843 240	1 806 958
	Post Retirement Benefits		
	Balance 1 July	1 912 301	1 701 906
	Contribution for the year	256 757	178 481
	Expenditure for the year	(105 343)	(100 846)
	Actuarial Loss/(Gain)	(107 319)	132 760
	Total provision 30 June	1 956 396	1 912 301
	Less: Transfer of Current Portion to Current Provisions - Note 7	(113 156)	(105 343)
	Balance 30 June	1 843 240	1 806 958

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
<u>TOTAL NON-CURRENT PROVISIONS</u>		
Balance 1 July	1 912 301	1 701 906
Contribution for the year	256 757	178 481
Expenditure for the year	(105 343)	(100 846)
Actuarial Loss/(Gain)	(107 319)	132 760
Total provision 30 June	1 956 396	1 912 301
Less: Transfer of Current Portion to Current Provisions - Note 7	(113 156)	(105 343)
Balance 30 June	1 843 240	1 806 958

	2009	2008
	R	R
5.1 Provision for Post Retirement Benefits		
The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	14	
Continuation members (e.g. Retirees, widows, orphans)	6	
Total Members	20	-

	2009	2008
	R	R
The liability in respect of past service has been estimated to be as follows:		
In-service members	697 000	
Continuation members	1 259 396	
Total Liability	1 956 396	1 912 301

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
LA Health
Key Health, and
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R54,724 whereas the Interest Cost for the next year is estimated to be R175,343.

	2009	2008
	%	%
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	9.22	10.92
Health Care Cost Inflation Rate	7.53	9.74
Net Effective Discount Rate	1.57	1.08

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 63 years.

	2009	2008
	R	R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 956 396	1 912 301
Fair value of plan assets	-	-
	1 956 396	1 912 301
Unrecognised past service cost		
Unrecognised actuarial gains/(losses)		
Present Value of unfunded obligation:	-	-
Net liability/(asset)	1 956 396	1 912 301

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
		R	R
Reconciliation of present value of fund obligation:			
Present value of fund obligation at the beginning of the year		1 912 301	1 701 906
Total expenses		151 414	77 635
Current service cost	(51 824)	53 519	40 130
Interest Cost	203 238	203 238	138 351
Benefits Paid		(105 343)	(100 846)
Actuarial (gains)/losses	(107 319)	(107 319)	132 760
Present value of fund obligation at the end of the year		<u>1 956 396</u>	<u>1 912 301</u>
Reconciliation of fair value of plan assets:			
Fair value of plan assets at the beginning of the year		-	-
Expected return on plan assets		-	-
Contributions: Employer		-	-
Contributions: Employee		-	-
Past Service Costs		-	-
Actuarial (gains)/losses		-	-
Benefits Paid		-	-
Fair value of plan assets at the end of the year		<u>-</u>	<u>-</u>
The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:			
		Increase	Decrease
Effect on the aggregate of the current service cost and interest cost components		303 200	219 800
Effect on the defined benefit obligation		2 250 000	1 717 000
		2009	2008
		R	R
5.2 Retirement funds			
<u>CAPE JOINT PENSION FUND</u>			
This fund comprises a defined benefit section and a defined contribution section. The Cape Joint Pension Fund is a multi-employer plan and the contribution rate payable is 9%, by the members and 18% by Council. In respect of the defined benefit section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R182,733 (R 200,209) million with a funding level of 106,5% (107,1%), and is in a sound financial state as at 30 June 2008.			
<u>CAPE JOINT RETIREMENT FUND</u>			
This fund comprises a defined benefit section and a defined contribution section. The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. In respect of the defined contribution section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R12,033 (R 20,22) million with a funding level of 103,3% (105,3%) and is in a sound financial position as at 30 June 2008.			
<u>MUNICIPAL COUNCILLORS PENSION</u>			
The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and council (15%). The financial statements of the fund have not been audited since June 2006 and the financial position of the fund is not available			
6 CONSUMER DEPOSITS			
Electricity		287 637	257 912
Total Consumer Deposits		<u>287 637</u>	<u>257 912</u>
The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.			
Guarantees held in lieu of Electricity Deposits		<u>-</u>	<u>-</u>
7 PROVISIONS			
Performance Bonuses		-	62 204
Bonusses		214 951	-
Staff Leave		299 550	394 181
Current Portion of Non-Current Provisions		113 156	105 343
Current Portion of Post Retirement Benefits - Note 5		<u>113 156</u>	<u>105 343</u>
Total Provisions		<u>627 657</u>	<u>561 728</u>

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
The movement in current provisions are reconciled as follows:		
<u>Staff Leave</u>		
Balance at beginning of year	394 181	464 959
Contribution to provision	37 593	76 010
Expenditure incurred	(132 224)	(146 787)
Balance at end of year	299 550	394 181
<u>Performance Bonuses</u>		
Balance at beginning of year	62 204	81 877
Transfer from non-current		
Contribution to provision	(62 204)	70 185
Expenditure incurred	-	(89 858)
Balance at end of year	-	62 204
<u>Bonusses</u>		
Balance at beginning of year	-	-
Transfer from non-current		
Contribution to provision	214 951	-
Expenditure incurred	-	-
Balance at end of year	214 951	-
<u>TOTAL - CURRENT PROVISIONS</u>		
Balance at beginning of year	62 204	81 877
Transfer from non-current	-	-
Transfer to Trade Payables	-	-
Contribution to provision	190 340	146 195
Expenditure incurred	(132 224)	(236 646)
Balance at end of year	120 319	(8 574)

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 5 to the Financial Statements, Other Defined Benefit Plan Information

Exemptions taken for provisions according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 60

8

TRADE AND OTHER PAYABLES

Trade Payables	1 878 070	1 419 291
Less: Correction of Error - Note 43.1		-
Balance at 30 JUNE 2008	1 878 070	1 419 291
Payments received in advance		213 235
Retentions	88 171	88 171
Unidentified deposits	1 390 789	-
Trade Receivables from Exchange Transactions with Credit Balances	86 458	-
Trade Receivables from Non-Exchange Transactions with Credit Balances	62 237	-
Other Creditors - Suspense Accounts	321 315	3 641
Deposits: Other	62 013	59 040
Total Trade Payables	3 889 053	1 783 378

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
9	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
9.1	<i>Conditional Grants from other spheres of Government</i>		
	Unspent Grants	4 219 285	4 167 076
	National and Provincial Government Grants	4 219 285	4 167 076
	Correction of error - Note		-
	Restated balance	4 219 285	4 167 076
	Less: Unpaid Grants	1 527 480	-
	National Government Grants	1 527 480	
	Provincial Government Grants		
	Other Sources		
	Total Conditional Grants and Receipts	2 691 805	4 167 076
	See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld		
10	TAXES		
	VAT Receivable included in Trade Receivables from Non-Exchange Transactions Note 11	-	104 868
	VAT Payable	278 651	-

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
		R	R
12	NON-CURRENT ASSETS HELD FOR SALE		
	Non-current assets held for sale at gebinning of year - at book value	-	
	Additions for the year		
		-	-
	Non-current assets sold/written off during the year		
		-	-
	Non-current assets held for sale at end of year - at book value	-	-
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 60		
13	INVESTMENT PROPERTY		
	Net Carrying amount at 1 July	-	-
	Cost	-	-
	Accumulated Depreciation	-	-
	##	-	-
	Cost	-	-
	Accumulated Depreciation	-	-
	Acquisitions		
	Depreciation for the year		
	Net Carrying amount at 30 June	-	-
	Cost	-	-
	Accumulated Depreciation	-	-
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 60		
14	INTANGIBLE ASSETS		
	Net Carrying amount at 1 July	-	-
	Change in Accounting Policy - Transfer from Property, Plant and Equipment	39 855	39 855
	Cost	39 855	-
	Accumulated Amortisation	(39 855)	(39 855)
	Acquisitions	80 322	
	Amortisation	(484)	
	Disposals	-	
	Amortisation written back on disposa	-	
	Net Carrying amount at 30 June	79 838	-
	Cost	120 177	-
	Accumulated Amortisation	(40 339)	(39 855)
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 60		
15	LONG TERM RECEIVABLES	2009	2008
		R	R
	Staff Car Loans - At amortised cost	51 172	51 293
	Less: Unamortised Discount on Loans	-	-
	Balance 1 July	-	-
	Adjustment for the period	-	-
	Change in Accounting Policy - Note 42.4	-	-
		51 172	51 293
	Less: Current portion transferred to current receivables		
	Staff Car Loans - At amortised cost	-	(1 796)
		51 172	49 497
	Less: Provision for Impairment of Long Term Receivables		
	Total Long Term Receivables	51 172	49 497

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
		R	R
16	INVENTORY		
	Consumable Stores - Stationery and materials - At cost	39 363	39 363
	Maintenance Materials - At cost		
	Water - At purification cost		
	Spare Parts - At cost		
	Total Inventory	39 363	39 363
	Consumable stores materials written down due to losses as identified during the annual stores counts.		
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Note 60		
17	TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Water	3 087 864	2 508 959
	Electricity	-	-
	Housing Rentals	43 240	-
	Refuse	-	-
	Sewerage	-	-
	Other Arrears	322 055	-
	Trade Receivables with Credit Balances	86 458	-
	Total: Trade receivables from exchange transactions (before provision)	3 539 617	2 508 959
	Provision for Impairments	(2 568 092)	(995 800)
	Total: Trade receivables from exchange transactions (after provision)	971 525	1 513 160
	The fair value of other receivables approximate their carrying value.		
		2009	2008
		R	R
	<u>(Electricity): Ageing</u>		
	Current (0 - 30 days)	-	-
	31 - 60 Days	208 202	-
	61 - 90 Days	19 792	-
	+ 90 Days	123 098	-
	Total	351 093	-
	<u>(Water): Ageing</u>		
	Current (0 - 30 days)	-	-
	31 - 60 Days	112 315	-
	61 - 90 Days	112 315	-
	+ 90 Days	832 318	-
	Total	1 056 949	-
	<u>(Refuse): Ageing</u>		
	Current (0 - 30 days)	-	-
	31 - 60 Days	57 404	-
	61 - 90 Days	45 992	-
	+ 90 Days	624 488	-
	Total	727 884	-
	<u>(Sewerage): Ageing</u>		
	Current (0 - 30 days)	-	-
	31 - 60 Days	208 202	-
	61 - 90 Days	58 073	-
	+ 90 Days	602 835	-
	Total	869 110	-
	<u>(Total): Ageing</u>		
	Current (0 - 30 days)	-	-
	31 - 60 Days	586 124	-
	61 - 90 Days	236 172	-
	+ 90 Days	2 182 740	-
	Total	3 005 036	-

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	R	R
<u>Reconciliation of Provision for Bad Debts</u>		
Balance at beginning of year	1 548 163	953 072
Contribution to provision	1 811 614	595 091
Bad Debts (written off)	-	-
Balance at end of year	3 359 777	1 548 163

	2009	2008
	R	R
The total amount of this provision is R x xxx xxx and consist of:		
Rates	791 685	552 363
Other Debtors	2 568 092	995 800
Total Provision for Bad Debts on Trade Receivables from exchange transactions	3 359 777	1 548 163

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

18 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	724 443	552 363
Trade Receivables with Credit Balances	62 237	-
VAT	-	104 868
Debtors - Suspense Accounts	525 857	-
Other Debtors	334 592	317 409
	1 647 129	974 640
Less: Provision for bad debts	(791 685)	(552 363)
Total Other Receivables from non-exchange transactions	855 444	422 277

The fair value of other receivables approximate their carrying value.

(Rates): Ageing

Current (0 - 30 days)	34 307	27 941
31 - 60 Days	62 347	47 166
61 - 90 Days	55 670	44 009
+ 90 Days	1 785 109	1 087 983
Total	1 937 433	1 207 099

19 OPERATING LEASE ARRANGEMENTS

19.1 The Municipality as Lessee

Leases not previously recognised - Note 42.1	-	-
Balance on 30 June	-	-

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows

Up to 1 Year		
1 to 5 Years		
More than 5 Years		
Total Operating Lease Arrangements	-	-

Reconciliation

Amount previously recorded (Through change in accounting policy)		
Change in accounting policy - Note 42.1		
Movement during the year		
Balance on 30 June	-	-

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
19.2 The Municipality as Lessor		
Leases not previously recognised - Note 42.1	-	-
Balance on 30 June	-	-
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows		
Up to 1 Year		
1 to 5 Years		
More than 5 Years		
Total Operating Lease Arrangements	-	-
Reconciliation		
Amount previously recorded (Through change in accounting policy)		
Change in accounting policy - Note 42.1		
Movement during the year		
Balance on 30 June	-	-
20 CASH AND CASH EQUIVALENTS		
Assets		
Call Investments Deposits	18 485 648	17 809 422
Primary Bank Account	46 818	-
Traffic Account	3 045	3 394
Cash Floats	900	900
Total Cash and Cash Equivalents - Assets	18 536 412	17 813 717
Liabilities		
Primary Bank Account	-	398 951
Total Cash and Cash Equivalents - Liabilities	-	398 951
Call Investments Deposits to an amount of R18,243,556 are held to fund the Unspent Conditional Grants (2008: R17,809,422. .		
The municipality has the following bank accounts:		
Current Accounts		
ABSA - Prince Albert Branch - Account Number 2640560064	46 818	(398 951)
ABSA - Prince Albert Branch - Account Number 4063942217	3 045	3 394
	49 864	(395 557)
ABSA - Prince Albert Branch - Account Number 2640560064		
Cash book balance at beginning of year	(398 951)	
Cash book balance at end of year	46 818	(398 951)
Bank statement balance at beginning of year	373 876	-
Bank statement balance at end of year	359 835	373 876
ABSA - Prince Albert Branch - Account Number 4063942217		
Cash book balance at beginning of year	3 394	
Cash book balance at end of year	3 045	3 394
Bank statement balance at beginning of year	306 015	-
Bank statement balance at end of year	545 650	306 015
21 PROPERTY RATES		
Actual		
Rateable Land and Buildings	1 336 312	1 222 160
Less: Rebates	-	-
Total Assessment Rates	1 336 312	1 222 160

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
Valuations - 1 JULY 2008		
Rateable Land and Buildings	284 551 800	284 551 800
Leeu-Gamka: Land	1 125 000	1 125 000
Leeu-Gamka: Buildings	5 699 000	5 699 000
Klaarstroom: Land	596 000	596 000
Klaarstroom: Buildings	2 030 000	2 030 000
Prince Albert: Land	30 659 700	30 659 700
Prince Albert: Buildings	98 139 000	98 139 000
Rural: Land	122 406 100	122 406 100
Rural: Buildings	16 526 000	16 526 000
Welgemoed: Land	597 000	597 000
Welgemoed: Buildings	6 774 000	6 774 000
Less: Income Forgone		
Total Assessment Rates	284 551 800	284 551 800

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2004. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

The approved tariffs were as follows for the period

	2009 c/R	2008 c/R
- Prince Albert Town Area	0.825	0.786
- Leeu-Gamka Scheme Houses	1.033	0.984
- Leeu-Gamka Private	0.258	0.246
- Welgemoed Region	0.258	0.246
- Klaarstroom Scheme Houses	1.033	0.984
- Klaarstroom East	0.258	0.246
- Rural Area	0.128	0.122

Rates are levied monthly and payable by the 7th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

22

GOVERNMENT GRANTS AND SUBSIDIES

Equitable Share	4 376 998	2 837 137
VAT on Grants Received Recognised - See Appendix F	298 561	-
Department of Water Affairs - Masibambani	484 665	328 439
National Treasury - Finance Management Grant	781 629	136 749
MSIG	1 108 207	524 563
Prince Albert Sport	68 772	179 330
Klaarstroom Sport	21 403	3 475
Priority Funds - District Municipality	19 685	177 218
Poverty Alleviation	12 500	
Zoning Scheme	41 816	60 489
Housing Planning Klaarstroom	599	
Water Services Plan	7 992	
Drought Relief	4 000	115 925
Bread Bake Project	4 152	
Klaarstroom Walkways	125 724	85 685
Leeu-Gamka Sport	5 631	41 299
Squatter Relocation	53 202	
Planning Projects	23 913	
Structural Plan	34 922	
Transitional Grant	39 869	17 431
Skills Development Levy	66 927	3 600
Settlement of Small Farmers	3 078	
Integrated Development Plan	17 269	
Flood Damage		77 705
Library salaries PA	55 274	19 958
Fire subsidy	-	34 740
Health subsidy	120 000	90 000
Main Road subsidy		59 838
Councillors Allowances	451 269	389 000
Capital grants	4 492 850	874 104
Other - Capital Grants	-	-
Total Government Grants and Subsidies	12 720 909	6 056 686

The municipality does not expect any significant changes to the level of grants

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PUBLIC CONTRIBUTIONS AND DONATIONS

Contribution to traffic salaries	226 327	227 857
	226 327	227 857

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
24	SERVICE CHARGES		
	Electricity	5 087 255	3 909 465
	Service Charges	5 087 255	3 909 465
	<u>Less:</u> Rebates	-	-
	Water	2 087 288	1 301 567
	Service Charges	2 087 288	1 301 567
	<u>Less:</u> Rebates	-	-
	Waste Management	2 134 965	1 701 034
	Service Charges	2 134 965	1 701 034
	<u>Less:</u> Rebates	-	-
	Sewerage and Sanitation Charges	-	-
	Service Charges	-	-
	<u>Less:</u> Rebates	-	-
	Other Service Charges - Private Works	-	-
	Total Service Charges	9 309 508	6 912 066
32	OTHER INCOME		
	Other income represents sundry income such as certificates, cemetery charges and photocopies	192 017	128 988
	Total Other Income	192 017	128 988
34	EMPLOYEE RELATED COSTS		
	Employee Related Costs - Salaries and Wages	5 648 572	4 167 049
	Employee Related Costs - Contributions for UIF, Pensions and Medical Aid:	716 631	729 667
	Travel, Motor Car, Accommodation, Subsistence and Other Allowances	59 323	186 927
	Housing Benefits and Allowances	88 134	67 268
	Overtime Payments	-	-
	Bonuses	180 947	225 094
	Increase in Provision for Bonusses	214 951	-
	Decrease in Provision for Performance Bonusses	(62 204)	-
	Increase in Provision for leave	37 593	76 010
	Defined Benefit Plan Expenses - Vested Past Service Cos	-	-
	Contribution to provision - Ex-gratia pensions - Note 7	-	-
	Contribution to provision - Long Service Awards - Note 7	-	-
	Contribution to / (from) provision - Post Retirement Medical - Note 7	(51 824)	(60 716)
		6 832 124	5 391 299
	<u>Less:</u> Employee Costs allocated elsewhere	-	-
	Total Employee Related Costs	6 832 124	5 391 299
	KEY MANAGEMENT PERSONNEL		
	Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
	REMUNERATION OF KEY MANAGEMENT PERSONNEL		
	Remuneration of the Municipal Manager		
	Annual Remuneration	555 847	464 429
	Contributions to UIF, Medical and Pension funds	-	4 644
	Total	555 847	469 073
	Remuneration of the Chief Finance Officer		
	Annual Remuneration	278 629	303 227
	Car Allowance	-	95 880
	Contributions to UIF, Medical and Pension Funds	-	45 205
	Total	278 629	444 312
	Remuneration of Director : Community Services		
	Annual Remuneration	253 602	308 713
	Car Allowance	-	32 204
	Contributions - UIF, Medical, Pension	-	49 491
	Total	253 602	390 408

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
		R	R
35	REMUNERATION OF COUNCILLORS		
	Executive Mayor	517 686	252 639
	Deputy Executive Mayor	404 530	109 320
	Speaker	223 672	239 611
	Councillors	467 028	230 436
	Councillors' pension and medical aid contribution:	119 523	65 884
	Total Councillors' Remuneration	1 732 439	897 889
	<i>In-kind Benefits</i>		
	The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.		
36	DEBT IMPAIRMENT		
	Increase in Provision for Impairment of Trade Receivables - Note 17	1 811 614	595 091
	Total Contribution to Bad Debts Provision	1 811 614	595 091
37	IMPAIRMENTS		
38	FINANCE CHARGES		
	Long-term Liabilities	-	-
	Employee Benefits	203 238	138 351
	Finance Leases	7 121	14 334
	Total finance charges	210 359	152 685
39	BULK PURCHASES		
	Electricity	3 075 765	2 266 074
	Water	-	-
	Total Bulk Purchases	3 075 765	2 266 074
40	GRANTS AND SUBSIDIES PAID		
	Museum	10 200	13 018
	Maintenance	2 676	-
	Operating Grants Utilised	2 925 956	1 751 908
	Poverty Alleviation	656 800	403 502
	Total Grants and Subsidies	3 595 632	2 168 429
41	GENERAL EXPENSES		
	General Expenses	3 876 160	3 800 530
	General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.		

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
42 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF GRAP		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
42.1 Statutory Funds		1 July 2007
Balance previously reported:		
Revolving fund		9 286 019
Dog Tax Fund		142 569
Total		9 428 589
Implementation of GRAP		1 July 2007
Transfer to the Capital Replacement Reserve		-
Transfer to the Housing Development Fund		-
Transfer to the Donations and Public Contribution Reserve		-
Transfer to the Capitalisation Reserve		-
Transfer to Accumulated Surplus/(Deficit) - Note 42.9		9 428 589
Total		9 428 589
42.2 Loans Redeemed and Other Capital Receipts		1 July 2007 R
Balance previously reported:		20 923 365
Implementation of GRAP		
Redemption and depreciation periods differ		-
Internal Loans per Appendix B - IMFC		-
Internal Loans per asset register - Bookvalue		-
Transfer to Accumulated Surplus/(Deficit) - Note 42.9		-
Outstanding Internal Loans Transfer to Capitalisation Reserve		-
Transfer from Property, Plant and Equipment - Note 42.6		-
Transfer to Government Grant Reserve - Note 42.11		-
Transfer to Government Grant Reserve - Intangible Assets		-
Transfer to Donations and Public Contribution Reserve		-
Transfer to Accumulated Surplus/(Deficit) - Note 42.9		(20 923 365)
Total		-
42.3 Provisions and Reserves		1 July 2007 R
Balance previously reported:		1 372 626
Equipment Renewal		748 835
Swimming Pool		16 886
Capital Reserve		471 035
Audit Fees		135 870
Total		1 372 626
Implementation of GRAP		
Transfer to Accumulated Surplus/(Deficit) - Note 42.9		1 372 626
Total		1 372 626
42.4 Long-term Liabilities		1 July 2007 R
Balance previously reported:		
Implementation of GRAP		143 537
Leases previously not recognised - Note 4		167 850
Prior years' redemption recognised through surplus		(24 313)
Total		143 537

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		1 July 2007 R
42.5	Non-Current Provisions	
	Balance previously reported	-
	Implementation of GRAP	
	Transfer to Accumulated Surplus/(Deficit) - Note 42.9	1 701 906
	Post-Employment Medical Benefit Func	1 701 906
	Long-Service	-
	Rehabilitation of Landfill-sites at cost - Note 7	-
	Rehabilitation of Landfill-sites - Expenditure already incurred - Note 7	-
	Total	1 701 906
42.6	Property, Plant and Equipment - GRAP 17	
	Balance previously reported	22 635 221
	Implementation of GRAP	
	Transfer to Intangible assets at cost - Note 42.8	(39 855)
	Property, Plant and Equipment financed through leases previously not recognised - Note 42.4	167 850
	Total	22 763 216
42.7	Accumulated Depreciation - GRAP 17	
	Balance previously reported	-
	Implementation of GRAP	7 948 391
	Backlog Depreciation: Land and Buildings	908 771
	Backlog Depreciation: Infrastructure	5 478 041
	Backlog Depreciation: Community	104 651
	Backlog Depreciation: Heritage	1 386 354
	Backlog Depreciation: Lease Assets	30 719
	Backlog Depreciation: Intangible Assets	39 855
	Backlog Depreciation: Housing	-
	Total debited to Government Grant Reserve (see SOCNA)	
	Transfer to Accumulated Surplus/(Deficit) - Note 42.9	7 948 391
		1 July 2007 R
42.8	Intangible Assets - GRAP 102	
	Balance previously reported	-
	Implementation of GRAP	
	Transfer from Property, Plant and Equipment at cost - Note 14	39 855
	Backlog Amortisation - Note 42.9	(39 855)
	Total	-
42.9	Accumulated Surplus/(Deficit)	
	Implementation of GRAP	
	Transfer from Statutory Funds - Note 42.1	9 428 589
	Transfer from Loans Redeemed and Other Capital Receipts - Note 42.2	20 923 365
	Transfer from provisions and reserves - Note 42.3	1 372 626
	Lease Liability - Redemption previously recognised as expenditure - Note 42.4	
	Unconditional Grants formerly treated as conditional grants - Note 42.11	639 813
	Backlog Depreciation - Note 42.7	(7 948 391)
	Eskom creditor not previously recognised	
	Non-Current Provisions recognised for the first time - Note 42.5	(1 701 906)
	Backlog Amortisation - Intangible assets - Note 42.8	
	Operating lease asset not previously recognised credited to Accumulated Surplus - Note 42.1	24 313
	Total	22 738 408
42.10	Operating Lease Assets	
	Balance previously reported	
	Implementation of GRAP	
	Leases previously not recognised - Note 19	
	Total	-

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		1 July 2007 R
42.11	Government Grants and Reserves	
	Balance previously reported	4 842 565
	Implementation of GRAP	
	Unspent Equitable Share	(569 275)
	Unspent Councillor Allowances	(70 538)
	Total	4 202 752
		1 July 2007 R
43	CORRECTION OF ERROR IN TERMS OF GRAP 3	
43.1	Other receivables from non-exchange transactions	
	Balance previously reported	
	Adjustment debited to Accumulated Surplus - Administration charges not allowed to funds - Note 43.3	(58 179)
	Vat on grants not previously transferred to revenue	
		(58 179)
43.2	Trade Payables Not Previously Recognised	
	Balance previously reported	1 430 813
	Eskom account not previously provided	207 895
	Restated Balance	1 638 707
43.3	Accumulated Surplus/(Deficit)	
	Adjustment debited to Accumulated Surplus - Administration charges not allowed to funds - Note 43.1	58 179
	Vat on grants not previously transferred to revenue	
	Eskom account not previously provided	207 895
	Unauthorised interest paid since 2004/2005 reversed	
		266 074
		2009 2008
44	RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS	R R
	Surplus/(Deficit) for the year	4 320 499 1 381 509
	Adjustments for:	
	Depreciation and amortisation	1 219 315 1 140 411
	(Gain)/Loss on disposal of property, plant and equipment	- 7 712
	Impairments	-
	Contribution from/to provisions - Non-Current	256 757 178 481
	Contribution from/to provisions - Non-Current - Expenditure incurred	(105 343) (100 846)
	Contribution from/to provisions - Non-Current - Actuarial losses	- 132 760
	Contribution from/to provisions - Non-Current - Actuarial gains	(107 319) -
	Contribution to provisions - current	190 340 146 195
	Contribution to provisions - current - Expenditure incurred	(132 224) (236 646)
	Contribution to provisions - Bad debt	1 811 614
	Unamortised discount - Interest - Revenue	-
	Unamortised discount - Interest - Expenditure	-
	Investment income	(2 380 833) (2 047 972)
	Interest paid	210 359 152 685
	Operating Surplus/(Deficit) before changes in working capital	5 283 164 754 288
	Changes in working capital	(794 092) (895 569)
	Increase/(Decrease) in Trade and Other Payables	2 105 675 144 671
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	52 209
	Increase/(Decrease) in Taxes	278 651
	Increase/(Decrease) in Operating Lease Liability	-
	(Increase)/Decrease in Inventory	- (5 020)
	(Increase)/Decrease in Trade Receivables from exchange transactions	(1 030 658) (763 112)
	(Increase)/Decrease in Other Receivables from non-exchange transactions	(672 489) (236 431)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(1 527 480) (35 676)
	(Increase)/Decrease in Operating Lease Asset	-
	Cash generated/(absorbed) by operations	4 489 072 (141 281)

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2009 R	2008 R
45	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Call Investments Deposits - Note 20	18 485 648	17 809 422
	Cash Floats - Note 20	900	900
	Traffic Account - Note 20	3 045	3 394
	Bank - Note 20	46 818	-
	Bank overdraft - Note 20	-	(398 951)
	Total cash and cash equivalents	18 536 412	17 414 765
46	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
	Long-term Liabilities - Note 4	81 207	114 077
	Used to finance property, plant and equipment - at cos	(81 207)	(114 077)
		-	-
	Cash set aside for the repayment of long-term liabilities		
	Cash invested for repayment of long-term liabilities	-	-
	Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act		
47	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
47.1	Unauthorised expenditure		
	Reconciliation of unauthorised expenditure		
	Opening balance	-	-
	Unauthorised expenditure current year		
	Approved by Council or condoned		
	Transfer to receivables for recovery		
	Unauthorised expenditure awaiting authorisation	-	-

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
48	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
48.1	<u>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</u>		
	Opening balance	-	-
	Council subscriptions	127 891	19 165
	Amount paid - current year	(127 891)	(19 165)
	Amount paid - previous years		
	Balance unpaid (included in creditors)	-	-
48.2	<u>Audit fees - [MFMA 125 (1)(b)]</u>		
	Opening balance	-	-
	Current year audit fee	311 145	161 226
	External Audit - Auditor-General	311 145	161 226
	Internal Audit		
	Audit Committee		
	Amount paid - current year	(311 145)	(161 226)
	Amount paid - previous year		
	Balance unpaid (included in creditors)	-	-
48.3	<u>VAT - [MFMA 125 (1)(b)]</u>		
	Opening balance	104 868	104 868
	Amounts received - current year	(2 386 694)	
	Amounts claimed - current year (payable)	2 003 175	
	Amount paid - current year		
	Amount paid - previous year		
	Closing balance	(278 651)	104 868
48.4	<u>PAYE and UIF - [MFMA 125 (1)(b)]</u>		
	Opening balance	-	-
	Current year payroll deductions	1 188 276	760 346
	Amount paid - current year	(1 188 276)	(760 346)
	Balance unpaid (included in creditors)	0	-
48.5	<u>Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</u>		
	Opening balance	-	-
	Current year payroll deductions and Council Contribution	521 681	406 058
	Amount paid - current year	(521 681)	(406 058)
	Amount paid - previous year		
	Balance unpaid (included in creditors)	-	-
48.6	<u>Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]</u>		
	The following Councillors had arrear accounts for more than 90 days as at 30 JUNE 2009:	Outstanding more than 90 days	
	Councillor NS Abrahams	1 316	
	The following Councillors had arrear accounts outstanding for more than 90 days during the year:	Highest amount outstanding	Ageing
	Councillor NS Abrahams	1 088	> 150 days
		117	> 120 days
		112	> 90 days
48.7	<u>Non-compliance with Chapter 14 of the Municipal Finance Management Act</u>		
	Sec 75 - No website		
	Sec 115 - No Supply Chain Management System		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
49 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
Approved and contracted for:	1 865 201	375 285
Infrastructure	1 865 201	375 285
Community	-	-
Other	-	-
Approved but not yet contracted for	-	-
Infrastructure	-	-
Community	-	-
Other	-	-
Total	1 865 201	375 285
	2009 R	2008 R
This expenditure will be financed from		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	1 865 201	18 285
Own Resources	-	357 000
District Council Grants	-	-
	1 865 201	375 285

50 RETIREMENT BENEFIT INFORMATION

Council employees contribute to the Cape Joint Municipal Pension Fund, SALGA and SAMWU National Provident Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuations was done on 30 June 2008.

51 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions

(b) Interest Rate Risk

The Municipality is exposed to interest rate risk due to the movements in long-term and short term interest rates.

This risk is managed on an ongoing basis.

(c) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non- payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

(e) Other Risks

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the CFO and authorised by the Municipal Council

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2009 R	2008 R
The maximum credit and interest risk exposures in respect of the relevant financial instruments are as follows:		
Long Term Receivables	51 172	49 497
Trade receivables from exchange transactions	971 525	1 513 160
Other receivables from non-exchange transactions	855 444	317 409
Other Debtors	1 527 480	104 868
Current Portion of Long-term Receivables	-	1 796
Short-term Investment Deposits	18 485 648	17 809 422
Bank and Cash Balances	50 764	4 294
Maximum Credit and Interest Risk Exposures	21 942 033	19 800 446

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
		R	R
52	FINANCIAL INSTRUMENTS		
	In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:		
	<u>Financial Assets</u>		
	<u>Classification</u>		
	Long-term Receivables		
	Staff Loans	51 172	49 497
	Consumer Debtors		
	Trade receivables from exchange transactions	971 525	1 513 160
	Other receivables from non-exchange transactions	855 444	317 409
	Other Debtors		
	Payments made in Advance	-	-
	VAT	-	104 868
	Government Subsidies and Grants	1 527 480	-
	Current Portion of Long-term Receivables		
	Staff Loans	-	1 796
	Short-term Investment Deposits		
	Call Deposits	18 485 648	17 809 422
	Bank Balances and Cash		
	Bank Balances	49 864	3 394
	Cash Floats and Advances	900	900
	<u>Financial Liability</u>		
	<u>Classification</u>		
	Non-Current Liabilities		
	Long-term Liabilities	81 207	114 077
	Current Liabilities		
	Trade and other payables	3 889 053	1 783 378
	Unspent Conditional Grants	4 219 285	4 167 076
	Consumer Deposits	287 637	257 912
	Taxes	278 651	-
	Bank Balances and Cash		
	Bank Balances	-	398 951
		2009	2008
		R	R
	SUMMARY OF FINANCIAL ASSETS		
	Held to maturity:		
	Short-term Investment Deposits	18 485 648	17 809 422
	Bank Balances	49 864	3 394
	Cash Floats and Advances	900	900
		18 536 412	17 813 717
	Loans and Receivables		
	Long-term Receivables	51 172	49 497
	Consumer Debtors	971 525	1 513 160
	Consumer Debtors	855 444	317 409
	Other Debtors	-	-
	Other Debtors	-	-
	Government Subsidies and Grants	1 527 480	-
	Current Portion of Long-term Receivables	-	1 796
	VAT	-	104 868
		3 405 621	1 986 729
	Total Financial Assets	21 942 033	19 800 446

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

SUMMARY OF FINANCIAL LIABILITIES

2009
R

2008
R

Held to maturity:

Bank Balances	Primary Bank Account	-	398 951
		<u>-</u>	<u>398 951</u>

Loans and Payables

Long-term Liabilities	External Loans	81 207	114 077
Trade and other payables	Creditors	3 889 053	1 783 378
Unspent Conditional Grants	Unspent Grants	4 219 285	4 167 076
Consumer Deposits		287 637	257 912
Taxes	VAT	278 651	-
		<u>8 755 833</u>	<u>6 322 443</u>
Total Financial Liabilities		<u>8 755 833</u>	<u>6 721 394</u>

53 EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after the reporting date.

54 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations and assistance.

55 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

56 COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".

57 CONTINGENT LIABILITY

Claims against Council	<u>-</u>	<u>-</u>
------------------------	----------	----------

58 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

58.1 Related Party Transactions

	Rates	Service Charges	Other	Outstanding Balances
Year ended 30 JUNE 2009				
Councillors		1315.98		1 316
Municipal Manager and Section 57 Employee:		326.25		326
Year ended 30 JUNE 2008				
Councillors				1 316
Municipal Manager and Section 57 Employee:				326

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

58.2 Related Party Loans

None

58.3 Compensation of key management personnel

The compensation of key management personnel is set out in **note 24** to the Annual Financial Statements.

58.4 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

<u>Councillor/Staff Member</u>	<u>Entity</u>
None	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

59 **Process to comply fully with the implementation of General Recognised Accounting Practices (GRAP)**

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2009.

60 **Exemptions taken according to those in Directive 4 - Transitional Provisions for Medium and**

60.1 **GRAP 19 -Provisions, Contingent Liabilities and Contingent Assets**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the

Refuse tip-sites financed by way of a provision

The municipality is currently in a process of identifying all provisions which must be measured in terms

Since the previous reporting date the following provisions were measured in accordance with GRAP 19

	2009 R	2008 R
Refuse tip-sites financed by way of a provision	-	-
Post retirement benefits	-	1 912 301
	<u>-</u>	<u>1 912 301</u>

60.2 **GRAP 100 -Non-current assets and discontinued operations**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the

60.3 **GRAP 16 - Investment Properties**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the

The municipality is currently in a process of identifying all Investment Properties and have it valued in

Since the previous reporting date the following Investment Properties were measured at fair value in

	2009 R	2008 R
Land with undetermined use	-	-
Land;	-	-
Buildings; and	-	-
Land and Buildings.	-	-
Total not previously recognised now restated retrospectively	<u>-</u>	<u>-</u>

60.4 **GRAP 102 - Intangible Assets**

Accounting Standards Board, issued in March 2009. The municipality did not recognise or measure all

Computer Software;
Intangible assets financed by way of finance leases
Intangible assets transferred as a result of the transfer of functions; and
Servitudes.

of GRAP 102 and it is expected that this process will be completed for inclusion in the 2010 financial

GRAP 102 and restated retrospectively:

	2009	2008
Computer software;	-	39 855
Accumulated amortisation on computer software	-	(39 855)
Total not previously recognised now restated retrospectively	<u>-</u>	<u>-</u>

60.5 **GRAP 12 - Inventories**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the

Water;
Land held for sale; and
Other (list).

The municipality is currently in a process of identifying all inventory which must be measured in terms of

Since the previous reporting date the following inventories were measured in accordance with GRAP 12

	2009 R	2008 R
Water;	-	-
Land held for sale; and	-	-
Other (list).	-	-
	<u>-</u>	<u>-</u>

60.6 **GRAP 17 - Property, Plant and Equipment**

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 13

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

13 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2009

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Heritage R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 JULY 2008	3 477 547	11 027 630	398 900	-	-	385 419	-	15 289 497
Cost	4 523 582	17 394 952	520 964	-	-	1 898 945	-	24 338 443
Original Cost	4 523 582	17 394 952	520 964	-	-	1 938 800	-	24 378 298
Change in Accounting Policy - Note 42.f	-	-	-	-	-	-39 855	-	-39 855
Revaluation	-	-	-	-	-	-	-	-
Accumulated Depreciation	-1 046 035	-6 367 321	-122 064	-	-	-1 513 527	-	-9 048 947
Change in Accounting Policy - Original Cost - Note 42.i	-1 046 035	-6 367 321	-122 064	-	-	-1 513 527	-	-9 048 947
Revaluation	-	-	-	-	-	-	-	-
Acquisitions	60 573	4 791 209	10 110	-	-	592 662	-	5 454 553
Transfers from/(to) Non-current Assets Held for Sale - Note 12	-	-	-	-	-	-	-	-
Cost								-
Accumulated Depreciation								-
Transfers from/(to) Investment Properties - Note 13	-	-	-	-	-	-	-	-
Cost								-
Accumulated Depreciation								-
Transfers from/(to) Intangible Assets - Note 14	-	-	-	-	-	-	-	-
Cost								-
Accumulated Depreciation								-
Revaluations								-
Depreciation	-138 658	-951 850	-17 365	-	-	-110 958	-	-1 218 830
Normal Depreciation	-138 658	-951 850	-17 365	-	-	-110 958	-	-1 218 830
Backlog Depreciation previously not recorded								-
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-
Cost								-
Accumulated Depreciation								-
Carrying value at 30 JUNE 2009	3 399 463	14 866 989	391 645	-	-	867 123	-	19 525 220
Cost	4 584 156	22 186 160	531 074	-	-	2 491 607	-	29 792 997
Original Cost	4 584 156	22 186 160	531 074	-	-	2 491 607	-	29 792 997
Revaluation	-	-	-	-	-	-	-	-
Accumulated Depreciation	-1 184 693	-7 319 171	-139 429	-	-	-1 624 484	-	-10 267 777
Original Cost	-1 184 693	-7 319 171	-139 429	-	-	-1 624 484	-	-10 267 777
Revaluation	-	-	-	-	-	-	-	-

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

13 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2008

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Heritage R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 JULY 2007	3 564 174	10 530 600	416 313	-	-	343 593	-	14 854 681
Cost	4 472 945	16 008 641	520 964	-	-	1 760 666	-	22 763 216
Original Cost	4 472 945	16 008 641	520 964			1 632 671		22 635 221
Change in Accounting Policy - Note 42.6						127 995		127 995
Revaluation								-
Accumulated Depreciation	-908 771	-5 478 041	-104 651	-	-	-1 417 073	-	-7 908 536
Original Cost								-
Change in Accounting Policy - Note 42.7	-908 771	-5 478 041	-104 651			-1 417 073		-7 908 536
Revaluation								-
Acquisitions	50 637	1 386 310				147 491		1 584 439
Transfers from/(to) Non-current Assets Held for Sale - Note 12	-	-	-	-	-	-	-	-
Cost								-
Accumulated Depreciation								-
Transfers from/(to) Investment Properties - Note 13	-	-	-	-	-	-	-	-
Cost								-
Accumulated Depreciation								-
Transfers from/(to) Intangible Assets - Note 14	-	-	-	-	-	-	-	-
Cost								-
Accumulated Depreciation								-
Revaluations								-
Depreciation	-137 264	-889 280	-17 413	-	-	-96 454	-	-1 140 411
Normal Depreciation	-137 264	-889 280	-17 413			-96 454		-1 140 411
Backlog Depreciation previously not recorded								-
Carrying value of disposals	-	-	-	-	-	-9 212	-	-9 212
Cost						-9 212		-9 212
Accumulated Depreciation								-
Impairment losses	-	-	-	-	-	-	-	-
Cost								-
Accumulated Depreciation								-
Carrying value at 30 JUNE 2008	3 477 547	11 027 630	398 900	-	-	385 419	-	15 289 497
Cost	4 523 582	17 394 952	520 964	-	-	1 898 945	-	24 338 443
Original Cost	4 523 582	17 394 952	520 964	-	-	1 898 945	-	24 338 443
Revaluation	-	-	-	-	-	-	-	-
Accumulated Depreciation	-1 046 035	-6 367 321	-122 064	-	-	-1 513 527	-	-9 048 947
Original Cost	-1 046 035	-6 367 321	-122 064	-	-	-1 513 527	-	-9 048 947
Revaluation	-	-	-	-	-	-	-	-

PRINCE ALBERT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

13 PROPERTY, PLANT AND EQUIPMENT

The leased property, plant and equipment is secured as set out in Note 3.

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise or measure

Land;

Property, Plant and Equipment financed by way of finance leases

Property, Plant and Equipment financed by way of provisions

Property, Plant and Equipment transferred as a result of the transfer of functions; and

Componentised infrastructure assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2010 financial statements. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2010. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

The municipality did not measure the following, in terms of the transitional provisions

- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.
- Review of residual values of item of PPE recognised in the annual financial statements
- Impairment of non-cash generating assets.
- Impairment of cash generating assets.

APPENDIX A
PRINCE ALBERT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

[illegible]

APPENDIX B

PRINCE ALBERT : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation								Accumulated Depreciation				Carrying Value
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals income	Closing Balance	
Land and Buildings													
Land	389 174	-	-	-	-	-	-	389 174	-	-	-	-	389 174
Buildings	4 134 408		60 573	-	-	-	-	4 194 981	1 046 035	138 658	-	1 184 693	3 010 288
	4 523 582	-	60 573	-	-	-	-	4 584 156	1 046 035	138 658	-	1 184 693	3 399 463
Infrastructure		-											
Main: Roads	5 621 890	-	425 729	-	-	-	-	6 047 619	2 238 665	363 278	-	2 601 943	3 445 676
Main: Waste Management	1 511 220	-	4 315 480	-	-	-	-	5 826 700	586 382	75 878	-	662 260	5 164 440
Main: Electricity	2 712 051	-	50 000	-	-	-	-	2 762 051	930 543	135 603	-	1 066 146	1 695 905
Main: Water	5 287 426	-	-	-	-	-	-	5 287 426	1 729 424	264 371	-	1 993 795	3 293 630
Taxi Ranks	-	-	-	-	-	-	-	-	-	-	-	-	-
Airfield	25 995	-	-	-	-	-	-	25 995	-	-	-	-	25 995
Reservoirs/Tanks/Pumps	2 236 369	-	-	-	-	-	-	2 236 369	882 306	112 720	-	995 027	1 241 343
	17 394 952	-	4 791 209	-	-	-	-	22 186 160	6 367 321	951 850	-	7 319 171	14 866 989
Community Assets													
Recreation Grounds	440 747	-	-	-	-	-	-	440 747	114 997	14 692	-	129 688	311 059
Civil Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks & Gardens	66 054	-	-	-	-	-	-	66 054	5 657	2 202	-	7 859	58 195
Preschools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemetery	14 163	-	10 110	-	-	-	-	24 272	1 410	472	-	1 882	22 391
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-
	520 964	-	10 110	-	-	-	-	531 074	122 064	17 365	-	139 429	391 645
Heritage Assets													
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	22 439 498	-	4 861 891	-	-	-	-	27 301 389	7 535 420	1 107 873	-	8 643 293	18 658 096

APPENDIX B
SENQU MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost							Accumulated Depreciation				Carrying Value	
	Opening Balance		Additions		Under Construction	Disposals		Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Total brought forward	22 439 498	-	4 861 891	-	-	-	-	27 301 389	7 535 420	1 107 873	-	8 643 293	18 658 096
Housing Rental Stock													
Housing Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Leased Assets (Infrastructure)													
Sewerage Mains & Purify	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets													
Motor Vehicles	582 070	-	-	-	-	-	-	582 070	434 034	47 395	-	481 429	100 641
Plant & Equipment	397 996	-	-	-	-	-	-	397 996	395 618	761	-	396 379	1 617
Office Equipment	409 787	-	-	-	-	-	-	409 787	306 226	33 570	-	339 796	69 991
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Loose Equipment	29 325	-	59 315	-	-	-	-	88 640	22 567	830	-	23 396	65 244
Computer Equipment	136 450	-	37 733	-	-	-	-	174 183	14 322	28 192	-	42 513	131 669
Specialised Vehicles	343 316	-	495 614	-	-	-	-	838 931	340 760	210	-	340 970	497 960
Security Items	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
	1 898 945	-	592 662	-	-	-	-	2 491 607	1 513 527	110 958	-	1 624 484	867 123
Total Property, Plant and Equipment	24 338 443	-	5 454 553	-	-	-	-	29 792 997	9 048 947	1 218 830	-	10 267 777	19 525 220
Investment Property													
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets													
Computer Software	39 855	-	80 322	-	-	-	-	120 177	39 855	484	-	40 339	79 838
	39 855	-	80 322	-	-	-	-	120 177	39 855	484	-	40 339	79 838
Total	24 378 298.40	-	5 534 876	-	-	-	-	29 913 174	9 088 802	1 219 315	-	10 308 116	19 605 058

39 855.05

29 960 847

APPENDIX C
PRINCE ALBERT MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009
GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals Income	Closing Balance	
EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-	-
FINANCE & ADMINISTRATION	5 241 004	237 943	-	-	5 478 948	1 710 562	241 480	-	1 952 043	3 526 905
HEALTH SERVICE	-	-	-	-	-	-	-	-	-	-
COMMUNITY & SOCIAL SERVICES	100 639	435 839	-	-	536 477	52 937	2 575	-	55 512	480 965
PUBLIC SAFETY	-	-	-	-	-	-	-	-	-	-
SPORT & RECREATION	505 728	-	-	-	505 728	131 951	16 858	-	148 809	356 919
WASTE MANAGEMENT	3 824 299	4 811 094	-	-	8 635 393	1 582 739	183 671	-	1 766 410	6 868 983
ROAD TRAFFIC	6 392 467	-	-	-	6 392 467	2 695 854	368 840	-	3 064 694	3 327 773
WATER	5 552 676	-	-	-	5 552 676	1 908 778	273 035	-	2 181 813	3 370 863
ELECTRICITY	2 761 486	50 000	-	-	2 811 486	1 005 981	132 855	-	1 138 836	1 672 650
OTHER	-	-	-	-	-	-	-	-	-	-
	24 378 298	5 534 876	-	-	29 913 174	9 088 802	1 219 315	-	10 308 116	19 605 058

APPENDIX D
PRINCE ALBERT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009
MUNICIPAL VOTES CLASSIFICATION

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
-	-	-	Finance & Administration	13 568 101	(8 424 871)	5 143 229
-	-	-	Council	7 061 694	(7 355 791)	(294 097)
-	-	-	Executive	2 625 998	(1 767 328)	858 670
-	-	-	Health	575 468	(436 850)	138 618
-	-	-	Comm & Soc (Libraries)	623 631	(463 593)	160 038
-	-	-	Comm & Soc (Halls & Faciliti	2 039 592	(1 973 241)	66 351
-	-	-	Comm & Soc (Cemeteries)	1 212 918	(124 281)	1 088 637
-	-	-	Housing	3 520 411	(3 355 745)	164 666
-	-	-	Public Safety	880 239	(581 274)	298 965
-	-	-	Planning & Development	1 612 114	(1 230 457)	381 656
-	-	-	Sport & Recreational	717 836	(225 536)	492 300
-	-	-	Waste Water (Storm Water)	5 254 693	(360 775)	4 893 919
-	-	-	Waste Water (Sewerage)	3 479 586	(3 617 757)	(138 171)
-	-	-	Waste Management (Refuse)	4 451 338	(3 880 823)	570 515
-	-	-	Road Transport	5 710 382	(8 420 626)	(2 710 244)
-	-	-	Water	3 633 477	(3 458 399)	175 078
-	-	-	Electricity (Distribution)	9 781 834	(9 153 333)	628 501
-	-	-	Electricity (Street Lighting	372 073	(436 236)	(64 163)
-	-	-	Other	541 474	(700 077)	(158 603)
-	-	-	Sub Total	67 662 859	(55 966 994)	11 695 865
-	-	-	Less Inter-Departmental Charges	-	52 315	52 315
-	-	-	Total	67 662 859	(55 914 679)	11 748 180

APPENDIX D
PRINCE ALBERT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
1 005 518	2 382 028	(1 376 510)	Executive and Council	1 651 269	(3 115 394)	(1 464 124)
6 441 099	6 741 449	(300 350)	Finance & Admin	13 556 727	(10 277 002)	3 279 725
116 500	41 722	74 778	Planning & Development	103 700	(112 815)	(9 115)
348 100	101 161	246 939	Health	378 310	(99 114)	279 196
212 247	659 271	(447 024)	Community & Social Services	261 671	(535 174)	(273 504)
2 818	-	2 818	Housing	-	-	-
34 740	39 208	(4 468)	Public Safety	34 938	(55 784)	(20 846)
69 852	143 453	(73 601)	Sport & Recreation	102 435	(126 532)	(24 097)
-	-	-	Environmental Health	-	-	-
2 458 138	2 024 500	433 638	Waste Management	2 463 359	(2 573 163)	(109 804)
2 104 235	1 225 516	878 720	Road Transport	1 687 960	(1 975 862)	(287 901)
1 637 753	869 547	768 206	Water	2 290 068	(1 320 131)	969 937
3 918 081	2 739 718	1 178 363	Electricity	5 095 475	(4 305 036)	790 439
-	-	-	Other	-	(600)	(600)
18 349 081	16 967 573	1 381 509	Sub Total	27 625 912	(24 496 605)	3 129 307
-	-	-	Less Inter-Departmental Charges	-	1 191 192	1 191 192
18 349 081	16 967 573	1 381 509	Total	27 625 912	(23 305 413)	4 320 499

18 349 081.45 16 967 572.70

APPENDIX E(1)
PRINCE ALBERT MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2009 Actual (R)	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	1 336 312	1 488 090	(151 778)	-10.20%	
Government Grants and Subsidies	12 720 909	6 978 206	5 742 703	82.29%	
Public Contributions and Donations	226 327	240 000	(13 673)	-5.70%	
Fines	1 126 542	1 240 960	(114 418)	-9.22%	
Third Party Payments	-	-	-	0.00%	
Stock Adjustments	-	-	-	0.00%	
Actuarial Gains	107 319	-	107 319	0.00%	
Property Rates - Penalties & Collection					
Charges	29 581	23 190	6 391	27.56%	
Service Charges	9 309 508	7 345 583	1 963 926	26.74%	
Water Services Authority Contributor	-	-	-	0.00%	
Rental of Facilities and Equipment	61 014	64 690	(3 676)	-5.68%	
Interest Earned - External Investments	2 380 833	865 260	1 515 573	175.16%	
Interest Earned - Outstanding Debtors	27 839	49 320	(21 481)	-43.55%	
Licences and Permits	482	39 830	(39 348)	-98.79%	
Agency Services	107 229	-	107 229	0.00%	
Other Revenue	192 017	896 920	(704 903)	-78.59%	
Unamortised Discount - Interest	-	-	-	0.00%	
Dividends Received	-	-	-	0.00%	
Contributed PPE	-	-	-	0.00%	
Gains on Disposal of PPE	-	-	-	0.00%	
Total Revenue	27 625 912	19 232 049	8 393 863	1	
EXPENDITURE					
Executive and Council	(3 115 394)	(3 363 480)	248 086	-7.38%	
Finance & Admin	(10 277 002)	(4 725 742)	(5 551 260)	117.47%	
Planning & Development	(112 815)	(199 430)	86 615	-43.43%	
Health	(99 114)	(120 000)	20 886	-17.41%	
Community & Social Services	(535 174)	(855 100)	319 926	-37.41%	
Housing	-	-	-	0.00%	
Public Safety	(55 784)	(62 200)	6 416	-10.32%	
Sport & Recreation	(126 532)	(73 360)	(53 172)	72.48%	
Environmental Health	-	-	-	0.00%	
Waste Management	(2 573 163)	(2 658 632)	85 469	-3.21%	
Road Transport	(1 975 862)	(1 630 220)	(345 642)	21.20%	
Water	(1 320 131)	(993 925)	(326 206)	32.82%	
Electricity	(4 305 036)	(5 142 140)	837 104	-16.28%	
Other	(600)	(600)	-	0.00%	
Less: Interdepartmental Charges	1 191 192	1 220 400	(29 208)	-2.39%	
Total Expenditure	(23 305 413)	(18 604 428)	(4 700 985)	1	
SURPLUS / (DEFICIT) FOR THE YEAR	4 320 499	627 620	3 692 878	2	

APPENDIX E (2)
PRINCE ALBERT MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS
GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive and Council	-	-	-	-	-	0.00%	
Finance & Admin	237 943	-	237 943	300 000	(62 057)	-20.69%	
Planning & Development	-	-	-	-	-	0.00%	
Health	-	-	-	-	-	0.00%	
Community & Social Services	435 839	-	435 839	-	435 839	100.00%	
Housing	-	-	-	-	-	0.00%	
Public Safety	-	-	-	-	-	0.00%	
Sport & Recreation	-	-	-	-	-	0.00%	
Environmental Health	-	-	-	-	-	0.00%	
Waste Management	4 811 094	-	4 811 094	5 578 000	(766 906)	-13.75%	
Road Transport	-	-	-	820 000	(820 000)	-100.00%	
Water	-	-	-	250 000	(250 000)	-100.00%	
Electricity	50 000	-	50 000	50 000	-	0.00%	
Other	-	-	-	-	-	0.00%	
Total	5 534 876	-	5 534 876	6 998 000	(1 463 124)	-0.209077475	

APPENDIX F
PRINCE ALBERT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2008	Correction of error	Restated balance 1 JULY 2008	Contributions during the year	Interest on Investments	Other Income	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	VAT Income Recognised	Balance 30 JUNE 2009	Unspent 30 JUNE 2009 (Creditor)	Unpaid 30 JUNE 2009 (Debtor)
	R		R	R	R	R	R	R		R	R	R
TRUST FUNDS												
Equitable Share	-		-	4 376 998			4 376 998			-	-	-
Councillor Allowances	-		-	451 269			451 269			-	-	-
Health Subsidy				120 000			120 000			-	-	-
Library Salaries				55 274			55 274			-	-	-
MIG	-		-	2 788 000				4 315 480		-1 527 480		(1 527 480)
Departmentt of Water Affairs - Masibambani	40 225		40 225	502 500			484 665.00		58 060	-	-	-
National Treasury - Finance Management Grant	782 087		782 087	500 000			781 629.00		74 315	426 143	426 143	
MSIG	916 725		916 725	833 400			1 108 206.63	177 370	148 463	316 085	316 085	
Taxi Rank	29 566		29 566	-						29 566	29 566	
Sewerage Line South	50 000		50 000	-						50 000	50 000	
Ferry Boat	262 908		262 908	-						262 908	262 908	
Prince Albert Sport	207 281		207 281	-			68 772		6 765	131 744	131 744	
Klaarstroom Sport	44 672		44 672	-			21 403		2 597	20 672	20 672	
Low Cost Housing	3 634		3 634	-						3 634	3 634	
Priority Funds - District Municipality	39 315		39 315	-			19 685		-	19 630	19 630	
Poverty Aleivation	18 137		18 137	118 196			12 500		1 750	122 083	122 083	
Zoning Scheme	81 465		81 465	-			41 816		5 471	34 178	34 178	
Housing Planning Klaarstroom	8 077		8 077	-			599		-	7 478	7 478	
Water Services Plan	107 713		107 713	-			7 992		-	99 721	99 721	
Drought Relief	1 153 607		1 153 607	-			4 000		560	1 149 047	1 149 047	
Bread Bake Project	51 126		51 126	-			4 152		581	46 393	46 393	
Thusong Centre	-		-	1 500 000						1 500 000	1 500 000	
Klaarstroom Walkways	125 724		125 724	-			125 724			-	-	
Leeu-Gamka Sport	5 631		5 631	-			5 631			-	-	
Squater Relocation	53 202		53 202	-			53 202			-	-	
Planning Projects	23 913		23 913	-			23 913			-	-	
Structural Plan	34 922		34 922	-			34 922			-	-	
Transitional Grant	39 869		39 869	-			39 869			-	-	
Skills Development Levy	66 927		66 927	-			66 927			-	-	
Settlement of Small Farmers	3 078		3 078	-			3 078			-	-	
Integrated Development Plan	17 269		17 269	-			17 269			-	-	
Total	4 167 076	-	4 167 076	11 245 638	-	-	7 929 497.24	4 492 850.07	298 561.39	2 691 805	4 219 284	(1 527 480)